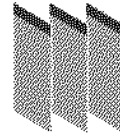


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**MATRIX METALS**  
LIMITED

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## Drilling Substantially Expands Resource Potential at McCabe

Matrix Metals Limited is pleased to announce the results from the recent Diamond (Diamond) and Reverse Circulation (RC) drilling programs completed at the McCabe Deposit. Highlights of the programs include:

- **Best intersections of 28m @ 2.93% Cu including 4m @ 7.4% Cu\*\*, 68m @ 1.02% Cu including 12m @ 3.60% Cu, 34m @ 1.00% Cu including 10m @ 1.50% Cu and 10m @ 1.34% Cu.**
- **Drilling has now confirmed copper mineralisation extends over an area of approximately 1.2 kilometres by 0.7 kilometres and to a depth of 300m. Mineralisation remains open in all directions.**
- **Geochemical sampling has further extended copper anomalism 1.25 kilometres to the south, 1.25 kilometres to the north and 2 kilometres to the east.**
- **Significant intersections reported from the diamond drilling at McCabe Central include:**

MMXRD 01 58 m @ 1.61% Cu from 211m\*\*  
incl 28 m @ 2.93% Cu from 235m  
incl 3 m @ 6.10% Cu from 235m  
and 4 m @ 7.40% Cu from 245m

MMXRD 03 3m @ 1.69% Cu from 123m,  
6m @ 2.60% Cu from 135m  
and 47m @ 0.51% Cu from 181m

**\*\*MMXRC 01 was previously reported to ASX on 23 March 2005.**

- **Significant intersections from the RC drilling at McCabe East include:**

MMXRC 04 34m @ 1.00% Cu from 29m  
incl 4m @ 3.00% Cu from 54m  
and 10m @ 1.50% Cu from 64m

**MMXRC 17** 35m @ 0.77% Cu from 78m  
 incl 8m @ 1.17% Cu from 102m  
 and 14m @ 0.65% Cu from 184m (EOH)

**MMXRC 18** 68m @ 1.02% Cu from 46m  
 incl 12m @ 3.60% Cu from 98m  
 incl 1m @ 14.83% Cu from 103m

**MMXRC 20** 30m @ 0.53% Cu from 30m  
 incl 4m @ 1.72% Cu from 54m

- **Significant intersections from the RC drilling at McCabe South include:**

**MMXRC 09** 4m @ 0.60% Cu from 116m (EOH)

**MMXRC 10** 4m @ 0.70% Cu from 44m

**MMXRC 13** 10m @ 1.34% Cu from 56m  
 incl 5m @ 2.20% Cu from 59m

**MMXRC 16** 10m @ 0.54% Cu from 3m

- Previous drilling by another company at **McCabe North** reported the following intercept in 1992:

**MRC 11** 28m @ 0.87% Cu from 52m  
 incl 14m @ 1.20% Cu

The McCabe drilling program comprised five RC/diamond holes for 1455.6 metres and 17 RC percussion holes for 2182 metres.

### **Implications of the Results**

The success of these initial, and at this stage, limited drilling programs, strongly suggests that the current resource and newly identified mineralised zones are part of a much larger breccia system, This interpretation is further supported when considered in light of the positive results being reported from the ongoing mapping and geological interpretation. This larger mineralised system has only been partially drill tested to date, both at depth and laterally.

### **Details of the McCabe Deposit**

The McCabe Deposit is located 40 km south of Cloncurry within the White Range Project area, some 6 kilometres south of the Greenmount deposit. (refer Figures 1).

The McCabe deposit is unique in its geological setting compared to other deposits in the White Range region. Specifically, the mineralisation at McCabe is related to two major breccia systems, namely, the NNW trending **Manomm Fault** and the ENE trending **White Range Fault**. (refer Figure 2)

In addition, the stratigraphic setting is different to other deposits in the region and the mineralisation identified to date is related to Iron Oxide (hematite/magnetite) bodies similar to other major copper deposits such as Starra and Osborne.

To date, very little exploration has been carried out away from the main breccia system due to the fact that there is very little visible "leakage" of copper at the surface. However the recent drilling and surface geochemical studies have confirmed that copper anomalism is wide spread and that significant zones of mineralisation can be intersected in drilling where there are little or no surface indicators.

Figure 4 details alteration and structural details of the McCabe region.

It is noted that in addition to the newly expanded copper resource potential of the McCabe area, McCabe Central currently comprises a multi million tonne leachable copper resource that is a component of the White Range Oxide Copper Project.

#### **Details of McCabe Central**

The prime area of interest to date and the area subject to the deep diamond drilling is McCabe Central. The deep diamond drilling program at McCabe Central was designed to test the depth potential of the deposit with mineralisation now confirmed to a depth of 300 vertical metres.

The mineralised polymict breccia zones at McCabe are located at, or close to, the intersections of the NNW trending Manommm fault system and a conjugate set of ENE faults. Previous drilling by others was mainly confined to the outcropping breccia hill over an area of about 300 by 200 metres and resulted in a multi million tonne copper resource being estimated, calculated down to approximately 100 metres vertical (0.5%Cu cut off). Importantly, the recent drilling indicates that the fault bound breccias are increasing in diameter at depth and extend further laterally than has been previously recognised along the ENE and NNW structures.

#### **Details of McCabe East**

McCabe East is located approximately 400 metres east of McCabe Central and is related to an ENE chloritised fault system which is largely obscured by shallow cover and has only been partially tested by drilling.

Six RC percussion holes were drilled at McCabe East in a flat area where the geochemical response had been suppressed by the shallow cover.

The drill results received to date are very encouraging as reported below:

<b>MMXRC 04</b>	<b>34m @ 1.00% Cu from 29m</b>
<b>incl</b>	<b>4m @ 3.00% Cu from 54m</b>
<b>and</b>	<b>10m @ 1.50% Cu from 64m</b>
<b>MMXRC 17</b>	<b>35m @ 0.77% Cu from 78m</b>
<b>incl</b>	<b>8m @ 1.17% Cu from 102m</b>
<b>and</b>	<b>14m @ 0.65% Cu from 184m (EOH)</b>

**MMXRC 18 68m @ 1.02% Cu from 46m**  
**incl 12m @ 3.60% Cu from 98m**  
**incl 1m @ 14.83% Cu from 103m**

**MMXRC 20 30m @ 0.53% Cu from 30m**  
**incl 4m @ 1.72% Cu from 54m**

Assay results of drill holes MMXRC 21 & 22 are still awaited with additional mineralisation expected due to the presence of strong alteration observed in drill hole 21.

The highly encouraging results from this area are of particular interest as very little copper mineralisation was observed in drill chips, however wide zones of chlorite/clay alteration were noted and it is interpreted that the copper mineralisation is in the form of fine grained sulphides such as chalcocite and covellite. These two copper minerals are both secondary, leachable sulphides; with chalcocite usually having a sooty black characteristic with covellite presenting as an indigo blue-black mineral.

Figure 3 presents a cross section of McCabe East.

#### **Details of McCabe South**

This area is located about 700m south of McCabe Central and was subject to shallow (30m) RAB drilling by Cyprus in 1992. This limited program returned copper grades of up 0.5%Cu at end of hole.

Matrix has now completed a follow up RC drill program of 10 holes with encouraging results reported from deeply oxidised material as presented below:

**MMXRC 09 4m @ 0.60% Cu from 116m (EOH)**

**MMXRC 10 4m @ 0.70% Cu from 44m**

**MMXRC 13 10m @ 1.34% Cu from 56m**  
**incl 5m @ 2.20% Cu from 59m**

**MMXRC 16 10m @ 0.54% Cu from 3m**

#### **Details of McCabe North**

This area is located 500 metres north of McCabe Central along the Manomm Fault. Geochemical sampling has indicated that this zone extends further north where no drilling has been undertaken to date.

A single RC drill hole was drilled by Cyprus in 1992 (MRC 11) located about 250m NW of MMXRD06 and reported **28m @ 0.87%Cu from 52m including 14m @ 1.2% Cu**. A recent rock chip collected 100 metres ENE of this hole assayed 5.3% copper, indicating further potential for mineralisation along an ENE fault. Again, no oxide copper was identified in drill chips. Petrology studies have revealed fine grained chalcocite & covellite. No drilling has been carried out in the prospective area between this hole and MMXRD06 to the south.

## **McCabe Regional**

Based on the significant drilling success at the various areas comprising the McCabe prospect, a lag sampling program at 200m centres has been carried out over an extended area of approximately 3km by 2km. Initial interpretation of the results indicate that the area which has been subjected to drilling at McCabe is much smaller than the overall distribution of anomalous copper values (+200ppm). Hence the prospective area is much greater than that drilled to date.

Follow up sampling after the initial program has returned further positive results with rock chip values of up to 1.3%Cu & 0.8%Cu respectively from areas 1.2km ESE and 1 km SW of McCabe Central. Up to 90 ppb Au has also been returned from the lag sampling.

### **Detailed Discussion on the Implications of the Results**

The success of these initial, and at this stage, limited drilling programs, when considered in conjunction with the positive results being reported from the ongoing soil sampling, mapping and related geological interpretation, strongly suggests that the current resource and mineralised zones are part of a much larger breccia system. This major breccia system has only been partially drill tested, both at depth and laterally, at this time.

In addition, the areas surrounding McCabe are largely obscured by shallow alluvium cover and also have not yet been drill tested. The potential for new discoveries in these surrounding areas is considered to be high.

Geological interpretation has indicated that the ENE structures and Iron Oxide contact zones may be more important as control vectors on copper mineralisation. Whilst geological and geochemical testing and modelling at McCabe is at an early stage of assessment, when the spectacular nature of drill holes MMXRD 001 MMXRC 18 are considered in the context of the unique geological setting, the potential at McCabe for the discovery of substantial high grade copper mineralisation is considered to be very high.

Following a detailed interpretation of the results of the recent drilling program, further drilling at all areas of McCabe is planned including in the prospective areas in between the currently drilled areas.

Full details of the Drill Intercepts are presented in Tables 1 to 4 with Drill Hole location details reported in Table 5 to 8.

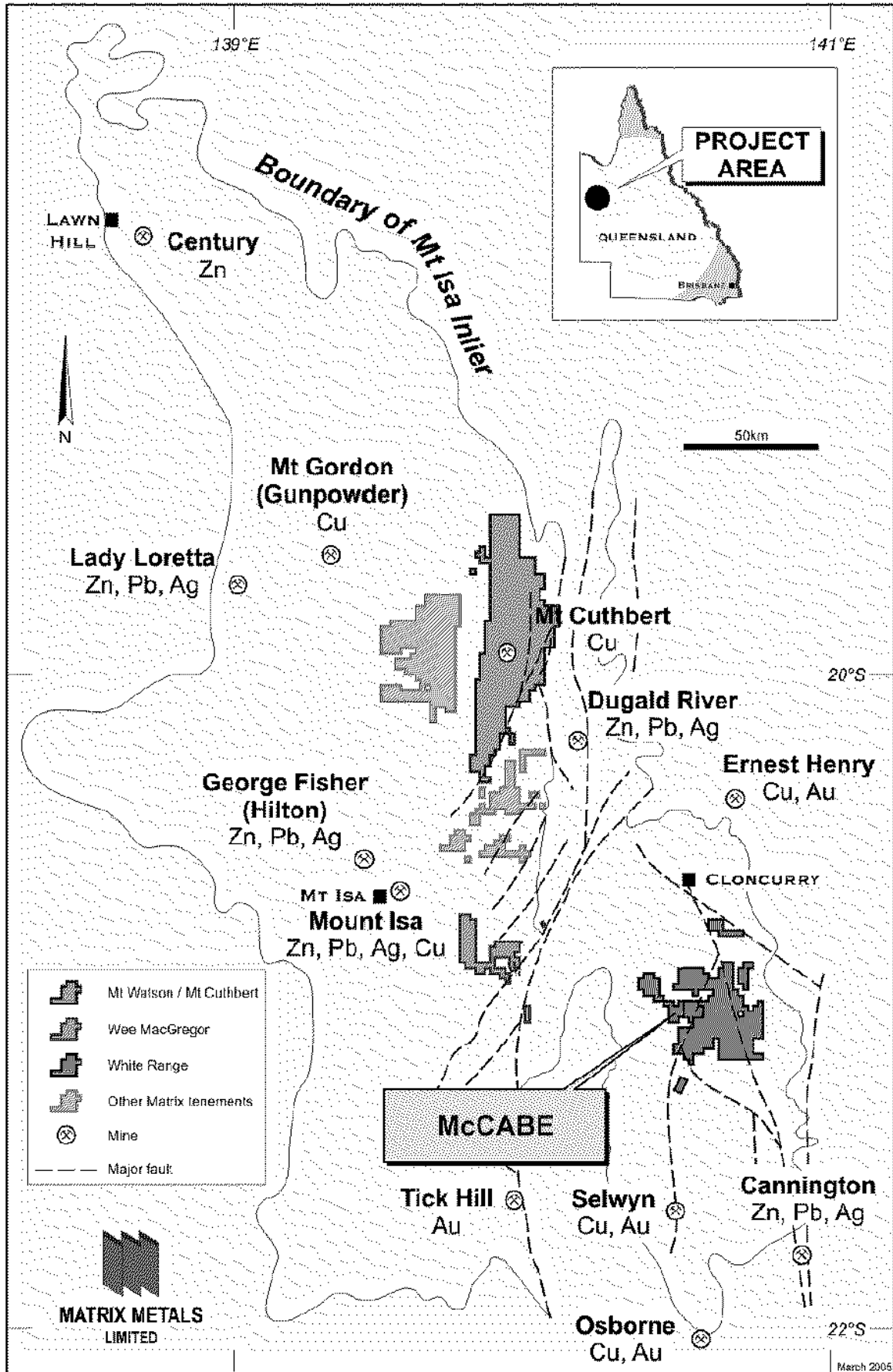
Yours Faithfully



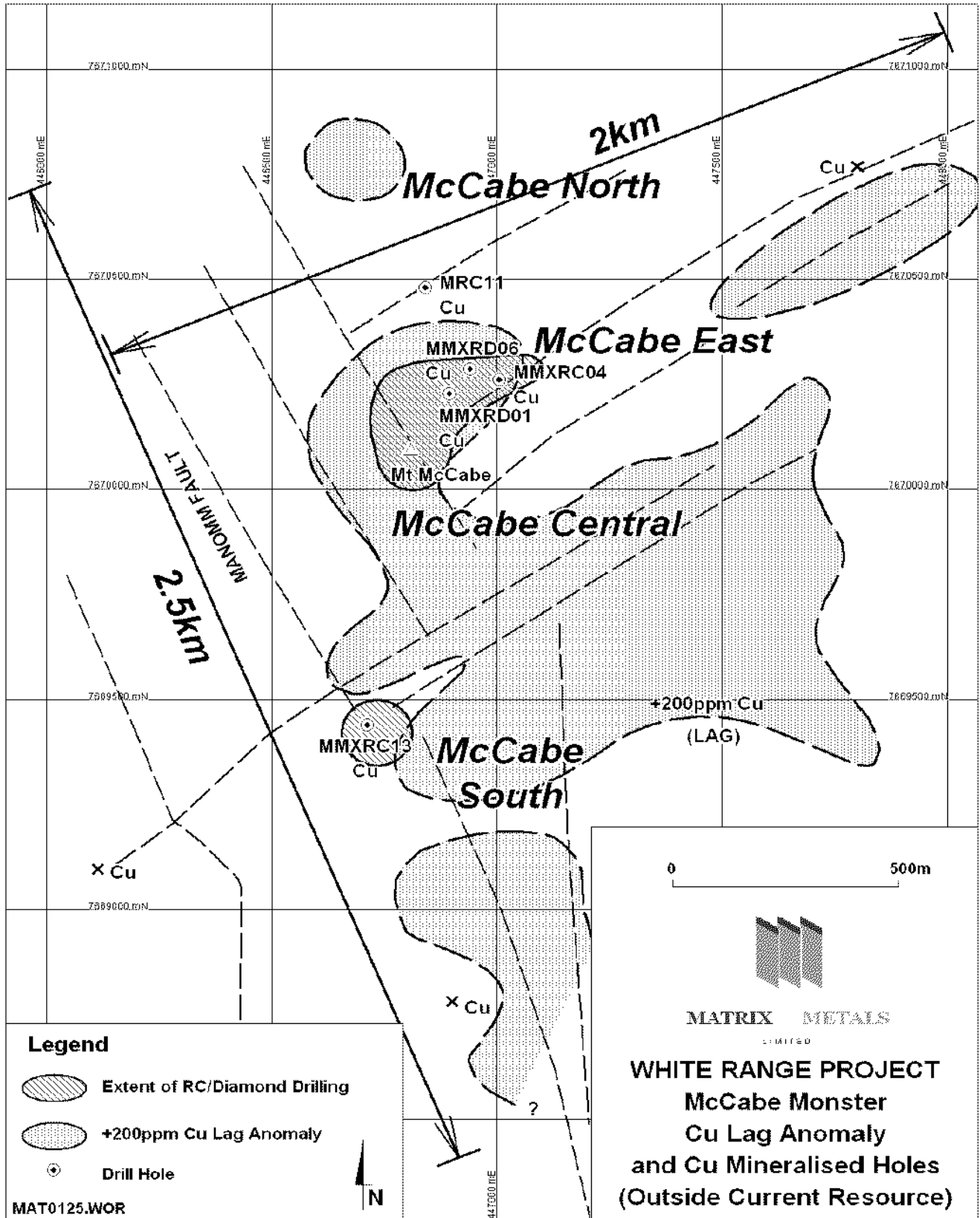
**Andrew Chapman**  
**Managing Director**

*The information in this report that relates to Mineral Resources and Ore Reserves is based on information compiled by Mr Tony Alston. Mr Alston is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of the Company. Mr Alston has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 1999 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Alston consents to the inclusion in the report of the matters based on information in the form and context in which it appears.*

**Figure 1**  
**McCabe Deposit**  
**Location Map**

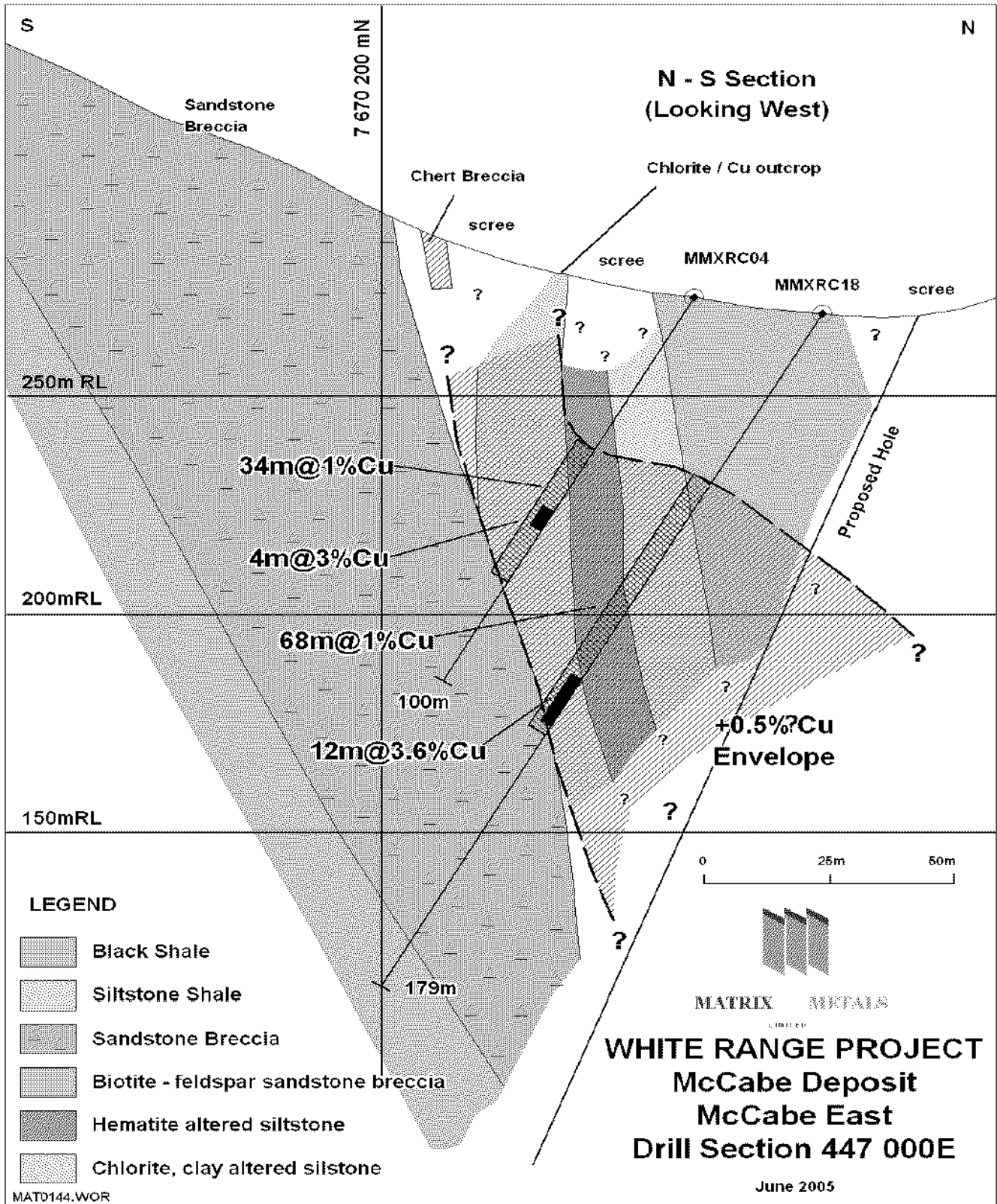


**Figure 2**  
**McCabe Deposit**  
**Prospect Locations**

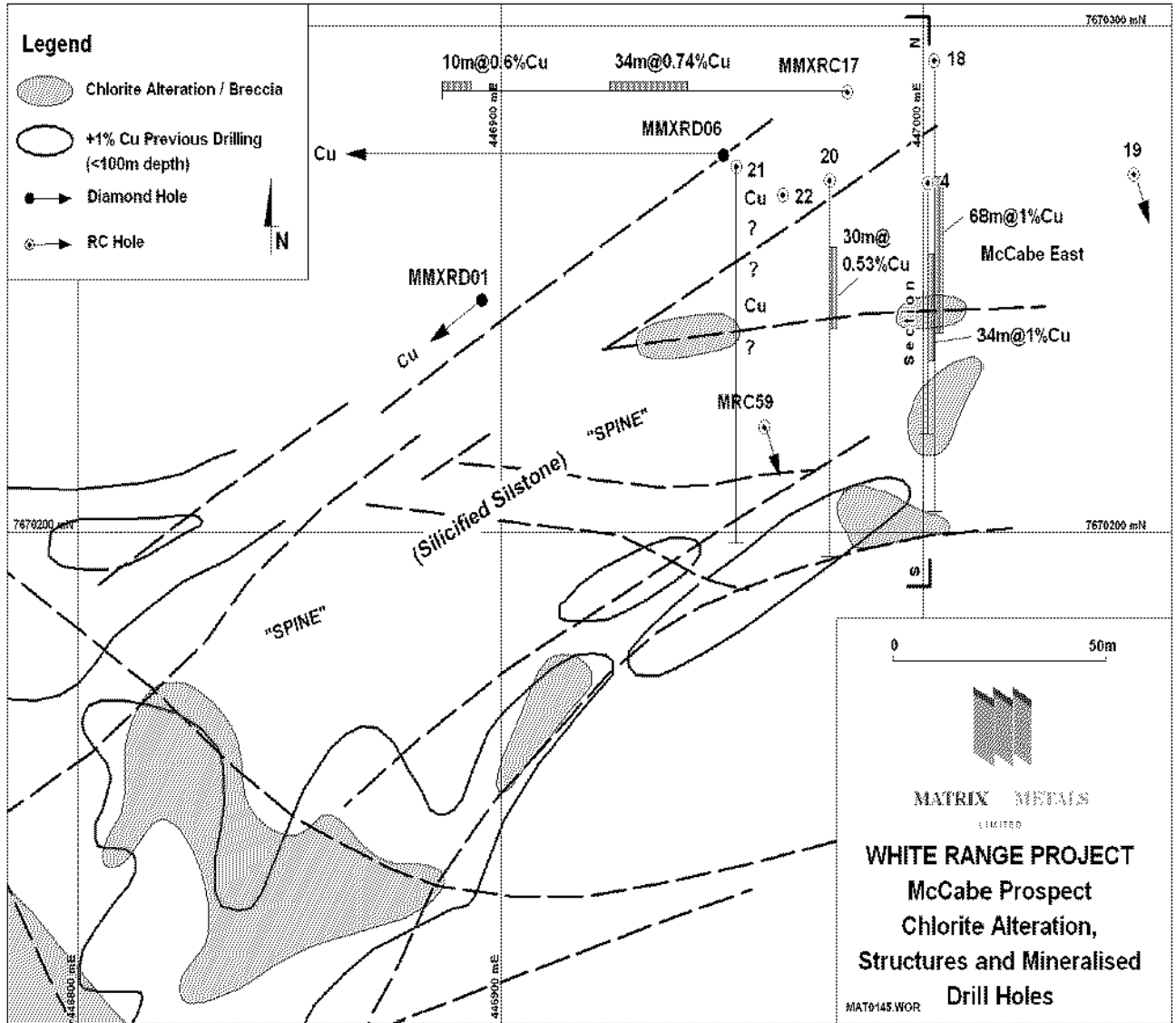


**Figure 3**

**McCabe Deposit  
McCabe East Cross Section**



**Figure 4**  
**McCabe Deposit**  
**Alteration and Structures**



**Table 1**  
**McCabe Central**  
**June 2005 Diamond Drilling Program**  
**Drill Hole Intersections**

<i>Hole No</i>	<i>Intersections</i>		
	<b>From metre</b>	<b>Interval metres</b>	<b>% Cu</b>
<b>MMXRD01</b>	211	58	1.61
includes	235	28.4	2.93
and	235	3	6.1
and	245	4	7.4
<b>MMXRD02</b>	123	35	0.18
<b>MMXRD03</b>	123	3	1.69
	135	6	2.6
	150	9	0.30
	181	47	0.51
<b>MMXRD05</b>	140	8	0.58
	190	2	0.44
<b>MMXRD06</b>	35	8	0.3
	66	8	0.27
	147	2	1.0
	268.25	0.3	3.5
	NB further results to come from holes 5 & 6		

Table 2  
**McCabe South**  
 June 2005 RC Drilling Program  
 Drill Hole Intersections

<i>Hole No</i>	<i>Intersections</i>		
	From metre	Interval metres	% Cu
<b>MMXRC09</b>	116	4	0.60
<b>MMXRC10</b>	44	4	0.70
<b>MMXRC13</b>	56	10	1.34
includes	59	5	2.2
<b>MMXRC16</b>	3	10	0.54

Table 3  
**McCabe East**  
 June 2005 RC Drilling Program  
 Drill Hole Intersections

<i>Hole No</i>	<i>Intersections</i>		
	From metre	Interval metres	% Cu
<b>MMXRC04</b>	29	34	1.00
includes	54	4	3.0
and	64	10	1.5
<b>MMXRC17</b>	80	34	0.74
includes	105	6	1.3
<b>MMXRC18</b>	46	68	1.02
includes	98	12	3.6
<b>MMXRC20</b>	30	30	0.53
includes	54	4	1.72

Table 4  
**McCabe North**  
 Cyprus RC Drill Hole (1992)  
 Drill Hole Intersections

<i>Hole No</i>	<i>Intersections</i>		
	<i>From metre</i>	<i>Interval metres</i>	<i>% Cu</i>
<b>MRC11</b>	52	28	0.87
includes	52	14	1.2

Table 5  
**McCabe Central**  
 June 2005 Diamond Drilling Program  
 Drill Hole Location Details

<i>Hole No</i>	<i>Northing (AMG)</i>	<i>Easting (AMG)</i>	<i>Dip (degrees)</i>	<i>Azimuth (mag)</i>	<i>Hole Depth (m)</i>
<b>MMXRD01</b>	7670247	446904	-60	230	280
<b>MMXRD02</b>	7670253	446912	-55	185	324
<b>MMXRD03</b>	7670258	446898	-55	205	260
<b>MMXRD05</b>	7670253	446900	-50	240	285
<b>MMXRD06</b>	7670273	446952	-55	268	338

Table 6  
**McCabe South**  
 June 2005 RC Drilling Program  
 Drill Hole Location Details

<i>Hole No</i>	<i>Northing (AMG)</i>	<i>Easting (AMG)</i>	<i>Dip (degrees)</i>	<i>Azimuth (mag)</i>	<i>Hole Depth (m)</i>
<b>MMXRC09</b>	7669570	446700	-60	130	120
<b>MMXRC10</b>	7669535	446738	-60	130	96
<b>MMXRC13</b>	7669429	446720	-60	65	118
<b>MMXRC16</b>	7669388	446735	-60	110	100

**Table 7**  
**McCabe East**  
**June 2005 RC Drilling Program**  
**Drill Hole Location Details**

<i>Hole No</i>	<i>Northing (AMG)</i>	<i>Easting (AMG)</i>	<i>Dip (degrees)</i>	<i>Azimuth (mag)</i>	<i>Hole Depth (m)</i>
<b>MMXRC04</b>	7670262	447009	-60	174	100
<b>MMXRC17</b>	7670289	446984	-60	260	198
<b>MMXRC18</b>	7670293	447005	-60	174	179
<b>MMXRC20</b>	7670250	446980	-70	174	150

**Table 8**  
**McCabe North**  
**Cyprus RC Drilling Program**  
**Drill Hole Location Details**

<i>Hole No</i>	<i>Northing (AMG)</i>	<i>Easting (AMG)</i>	<i>Dip (degrees)</i>	<i>Azimuth (mag)</i>	<i>Hole Depth (m)</i>
<b>MRC11</b>	7670520	446874	-60	200	80

**END**